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SUBJECT: LITTLE ENTHUSIASM FOR LEGISLATIVE PRIORITIES IN QUEEN'S
SPEECH

REF: LONDON 02582

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¶1. (U) Summary. In an annual tradition, the Queen formally opened the new session of Parliament November 18 and laid out the Government's legislative priorities for the coming Parliamentary session. In a speech drawn up by the Government, the Queen announced plans for 10 new bills, two draft bills, and three bills carried over from last year - a long way behind the 38 bills contained in the Queen's Speech prior to the 2005 general election. The majority of bills focused on economic recovery. PM Brown hoped the measures would lay out clear battle lines for the electorate between his Labour government and the Conservative opposition in the run-up to next year's general election. Opposition leaders criticized the speech as an election vehicle for the Labour Party. There may not be sufficient time in the parliamentary calendar to pass many of the proposed bills prior to adjournment six weeks prior to the next general election, which must take place on or before June 3, 2010. End Summary.

Financial Reforms, Debt, and Social Measures

¶2. (U) The Queen announced that a new Financial Services Bill would create a Council for Financial Stability and strengthen the role of the Financial Services Authority (FSA). The bill would also increase consumer financial education programs and consumer protection measures. As previously announced by the FSA, the bill would also include provisions on compensation policies and put in place tougher requirements on systemically important financial firms, requiring them to set up recovery and resolution plans (or "living wills".) The Conservative Party has already said, if elected, it will shut down the FSA and fold it into the Bank of England. Financial firms cautioned against legislation that would put the UK at a disadvantage vis-a-vis other financial centers. KPMG said that the idea of a living will, while attractive as a concept, would not be easy in practice since bank structures have developed over 20-30 years and are extremely complex.

¶3. (U) The Fiscal Responsibility Bill would halve the UK's deficit over four years, as previously announced by the Chancellor. HMG will have no further details, however, until the Pre-Budget Report launch on December 9. Among the new social measures, a Personal Care at Home Bill will guarantee free at home care for 280,000 elderly and needy people. A City Council member for Westminster, however, commented that the proposed social care bill fails to recognize that local governments are already facing large cuts and budget shortfalls. Also planned are new measures to tackle youth unemployment. On education, parents and children will be given new guarantees about children's schooling under the Children, School and Families bill. Under the Child Poverty Bill, carried over from the last Parliamentary year, the Government plans to codify its commitment to end child poverty by 2020.

Low Carbon and a Digital Economy

¶4. (U) The Government's Energy Bill would support carbon capture and storage (CCS) and help the most vulnerable households with energy costs through price subsidies and rebates. The new bill would supplement the government's July Low Carbon Transition Plan, which aims to cut emissions by 34 per cent on 1990 levels by 2020 on the way to achieving a reduction of at least 80 per cent by 2050. The bill would support the construction of up to four commercial-scale carbon capture and storage (CCS) demonstration projects in the UK. In addition, a new bill on the Digital Economy would aim to improve digital infrastructure, and provide for greater government investment in cell phone, digital radio, and wireless broadband technologies. It would also address intellectual property concerns through the creation of a legal and regulatory framework to combat illegal file sharing and online copyright infringement.

Reforming Government

¶5. (U) The Queen said "the Government will publish draft legislation on proposals for a reformed second chamber of Parliament with a democratic mandate." Many parliamentary reformers, however, were disappointed this legislation remains in draft form only: the Government remains undecided on how to conclude the reform process started 12 years ago. The Constitutional Reform and Governance Bill, carried over from the last session, aims to rebalance the relationship between parliament and the public, but appears at this stage more aspirational than a concrete legislative proposal.

Defense and International Aid

¶6. (U) The Queen's legislative program included a bill on banning cluster munitions. This was unsurprising as the ban is one of the only issues which all three major political parties firmly support. The UK signed on to the Cluster Munitions Convention in December

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2008, and this bill would fulfill the UK's commitment to ratify the treaty. The UK was instrumental in shaping the Convention, including adding Article 21, which allows signatories to cooperate in military actions with non-signatories, even if the non-signatories are using cluster munitions.

¶7. (U) The Queen said her government would present legislation to make binding the UK's previous commitment to appropriate 0.7 percent of national income on international development by 2013. This would implement the commitment the UK made at the G-8 Summit in Gleneagles in 2005. She further reaffirmed UK commitments to support efforts in Pakistan and Afghanistan, peace in the Middle East, and nuclear disarmament. On corruption, the Queen said there would be a new bill on bribery. This legislation would criminalize bribery in the UK or abroad, in the public or private sectors, and it would make bribery of a foreign public official to obtain or retain business an offense (see reftel LONDON 02582).

Initial Reactions

¶8. (U) Even prior to its delivery, Conservative Leader David Cameron and Liberal Democrat Leader Nick Clegg called the Queen's Speech a waste of time because there were so few days in the Parliamentary year prior to the election. The press clocked the speech as the shortest in 100 years. As expected, Cameron dismissed the remarks as "half-baked" and called it a "Labour press release on Palace parchment." He complained that real proposals - such as a plan to reduce the deficit, welfare reform, reform of the national healthcare system, and measures to implement the Kelly report curbing MP expenses - were glaringly absent. Nick Clegg blasted Brown for squandering the opportunity to reform Parliament. He called the financial responsibility legislation to halve the deficit in four years absurd, adding "It's like passing a law promising to get up early every morning." Some Labour MPs privately expressed surprise that no measures were included on the health services, a strong Labour battleground.

¶9. (U) Media reports questioned where the money would come from to

pay for costly measures like the personal care bill for the elderly. Of Brown's supposed omission in tackling political and parliamentary reform, the left-leaning Guardian said that Brown "seems to have no grasp of the scale and importance of public dissatisfaction with MPs and the political system." The Times said that "all the hard choices were left."

¶10. (U) Prime Minister Brown robustly defended his measures yesterday afternoon in Parliament, saying his measures were not an electoral tool but "in the national interest." Brown dismissed Conservative plans for dealing with the economy and accused the party of not having any policies to close the gap between rich and poor. He criticized a Conservative commitment to pass an inheritance tax cut, saying "99 per cent of the benefit goes to the richest few in the country."

Comment

¶11. (SBU) Yesterday's Queen's Speech was the Government's last chance to show the electorate its priorities for the upcoming general election and to attempt to set out clear dividing lines with the opposition. The general response, however, from media and pundits was that Labour had missed the mark with a mixed bag of populist proposals that there was little time to pass.

SUSMAN